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23 July 1964

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# CENTRAL INTELLIGENCE

INTELLIGENCE CURRENT RELATING TO NATIONAL SECURITY

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# CENTRAL INTELLIGENCE BULLETIN

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# CENTRAL INTELLIGENCE BULLETIN

23 July 1964

# DAILY BRIEF

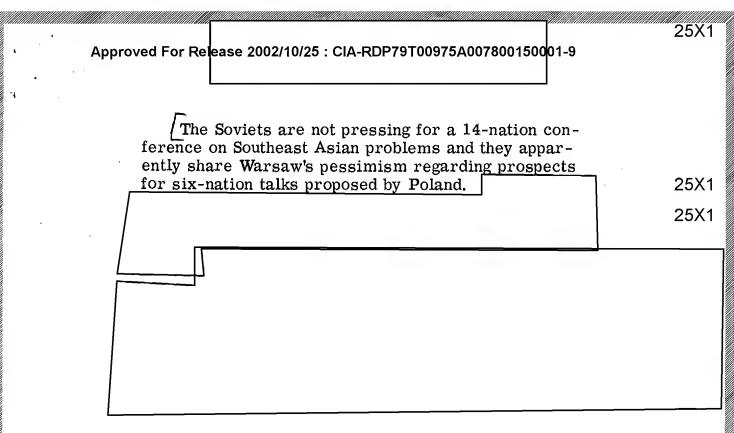
USSR - Southeast Asia: Soviet policy continues to reflect the apparent assumption that there is little present danger of military escalation in Laos and South Vietnam.

The Soviet ambassador to Brazil recently expressed the view that the Vietnam conflict would not become another Korea-type war because President Johnson is too wise to allow the fighting to grow into a limited war. Furthermore, Peiping is 'petrified' by the possibility of war with the US and is not prepared for such a conflict. 7

These remarks probably also reflect Moscow's desire to forestall developments which might lead to a dangerous confrontation with the US and to an expansion of Chinese Communist influence in Southeast Asia. As long as the Soviet leaders continue to downgrade the risks of escalation, they probably will maintain their essentially passive role in international maneuvers regarding Southeast Asia. They apparently have little ability to influence North Vietnamese and Pathet Lao actions and they have not attempted to match Peiping's strong pronouncements.

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Laos: The rival Laotian factions remain unable to agree on arrangements for tripartite talks.

Pathet Lao leader Souphannouvong on 20 July rejected as "impossible" the New Delhi meeting site proposed by Premier Souvanna. He reiterated his willingness to meet at either Phnom Penh or Djakarta, locations previously ruled out by Souvanna.

The Pathet Lao and the North Vietnamese reportedly have also rejected a Polish suggestion that the co-chairmen and International Control Commission representatives assist at the talks.

Recent dissident neutralist propaganda has hinted at another possible stumbling block to an early meeting. Dissident chief Colonel Deuane on 16 July asserted that his 'neutralist' faction—not that of Kong Le and Souvanna—must represent the neutralist interests at the tripartite meeting and, subsequently, at any international conference.

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<u>Cuba</u>: President Dorticos' assumption of the top economic posts in the regime is the latest in a series of moves to improve the management of Cuba's badly disorganized economy.

On 22 July, Havana radio announced that Dorticos had assumed the posts of minister of economy and director of Cuba's central economic planning board. He will replace Regino Boti, one of the two remaining members of Castro's original cabinet. Dorticos, who has played an important policy-making role in the regime, will bring considerably more prestige and authority to these posts.

Earlier this month the regime took additional measures to tighten administration of the economy. A new Ministry of Sugar Industry was formed to consolidate the planning and direction of this major industry. In addition, the minister of foreign trade was replaced in an effort to bring some order out of the chaos that has marked Havana's efforts to purchase goods from free world countries.

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# NOTES

Singapore: \*Renewed rioting broke out in Singapore again this morning as Malays and Chinese clashed for the third straight day. The fighting, which began on 21 July during a Malay religious procession, has resulted in at least 14 deaths and hundreds of other casualties. There is no evidence of Indonesian complicity in the rioting, which stemmed from long-standing communal tensions between the dominant Singapore Chinese and the Malay minority.

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West Berlin: Water levels in the Elbe and Havel rivers have dropped to the point where barge transportation between West Germany and West Berlin has been seriously crippled. Available rail facilities have been unable to fill the gap, and West German railway officials have requested their East German counterparts to provide additional routes to help clear up the mounting backlog of trains. While no shortages have developed in West Berlin, the transportation problem promises to become increasingly acute since prospects are poor for an early rise in water levels.

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\*UK: The two-week-old wage dispute between the government and postal workers shows no sign of easing, and may soon turn into a national political issue. Union leaders, identified with the Labor Party, have called a national postal strike to begin on Saturday in hopes of forcing a break in the deadlock. Although the public presently supports the workers, the inconveniences stemming from any prolonged disruption of the postal service is likely to swing sentiment to the government's side.

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Western Europe: Prospects for strengthening European community institutions have been complicated by the position adopted by the new Luxembourg Government. It has reportedly decided to withhold approval of a proposed merger of the executives of the EEC, EURATOM, and the Coal-Steel Community (CSC) until Luxembourg receives "political compensation" for the loss of the CSC headquarters which would be transferred to Brussels. Luxembourg has told the other five community members it cannot discuss the merger at the 29-30 July Council of Ministers meeting, although the matter is a primary agenda item.

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# NATIONAL INTELLIGENCE ESTIMATES

The United States Intelligence Board on 22 July 1964 approved the following national intelligence estimates:

NIE 1	12-64,	"Changing	Patterns in	Eastern	Europe,

NIE 55-64, "Prospects for Indonesia."

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### THE PRESIDENT

Executive Offices of the White House

Special Counsel to the President

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

# The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

## The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

## The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant Secretary of Defense

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

## The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

National Aeronautics and Space Administration

The Administrator

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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